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United States  
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# Major News Releases and Speeches

February 6-February 13, 1981

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# Speeches

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**Remarks prepared for delivery by Secretary of Agriculture John Block, before the National Cattlemen's Association, Phoenix, Arizona, February 5, 1981**

Most people who come late to an important gathering like this one try to slip in quietly, hoping no one will notice them. If someone does see them, they mumble some excuse and hope for the best.

I'm a whole day late for this meeting, so I know you've noticed my absence. And my excuse--I had to attend a Cabinet meeting--probably has caught your attention, too.

But that's OK. I'm proud and excited to be part of President Reagan's Cabinet. We have an unprecedented opportunity to add to this country's greatness--and it's exhilarating.

The Cabinet's meetings have been models of give-and-take. They have been marked by a spirit of cooperation among the Cabinet officers, and a free flow of ideas based on shared beliefs.

I hope that same spirit will now characterize the relationship between the National Cattlemen's Association and the U.S. Department of Agriculture. Certainly we have a good basis on which to start.

We share the same goals: allowing market forces to determine prices; minimizing government intervention in the marketplace.

We agree on what the problems are: cattlemen haven't been able to make much of a profit in the last few years. They have been especially victimized by the nation's economic scourge: inflation.

This administration is determined to change that. We want to create a climate that allows cattlemen--and other Americans--to get reasonable profits for the work they do.

That will mean working on two levels: a broad level, on which we will work to beat back the inflationary monster once and for all; and a more specific level, on which we will address issues particular to the cattle industry.

It took the American economy a long time to get into the mess it's now in. It's going to take a long time to get out of it.

The first step in this process is for the federal government to find places in the budget to cut unnecessary spending.

We're taking that step. We're identifying programs that spend too many of your tax dollars. And we'll make the cuts that are necessary. I must warn you--these cuts will not be painless. On the contrary, they will demand sacrifices from everybody: ranchers, farmers, businesses and consumers. But the results will be worth the sacrifice.

Not only will inflation wane. There also will be a reduced federal presence in matters that should be left to the states, to local communities, and to individuals. With the economic health that comes from a free-market economy, Americans will be able to reclaim the independence that is this nation's heritage.

Moreover, we're going to balance our commitment to reducing federal spending and intrusiveness with an equally strong commitment to providing a climate for healthy economic growth. For the nation's ranchers and farmers, that means many things.

It means that we will advocate spending more money on research to increase agricultural productivity. We know that any money spent on this kind of research is an investment in the future for both farmers and consumers.

It means that we are committed to promoting long-term export growth. We will work to find new outlets for your products--and to remove barriers to existing markets.

It means not taking any hasty steps regarding problems faced by this nation's ranchers and farmers. Instead, we will study the problems until we can come up with a policy that is in everybody's best interest.

Take taxes. We're worried that current tax policy is stifling the productivity we want to maintain. Estate taxes, for example, endanger the existence of family ranchers and farms because they make it difficult for families to pass their enterprises to future generations. If we want to maintain the kind of family-owned agricultural enterprise that has made our country a model for so many others, we need to find ways for taxes to encourage rather than inhibit productivity.

Meat imports is another issue that demands our attention. We know that public comment has come down against the proposed suspension of 1981 import quotas. We're assessing the entire matter, including projected estimates for meat imports this year. And any action we take

will be in the best interest of meat producers, consistent with the 1979 Meat Import Law.

Another issue we're looking at is grazing on federal lands. As a hog producer, I haven't had much of a chance to acquaint myself with this issue until now, although I am familiar with the problems you face in controlling animal damage.

It seems to me that a first step in solving these problems is to improve the relationship of the federal government with domestic livestock producers. I'm already working toward that end with Jim Watt, the new Interior Secretary. That will help provide a climate in which we can come up with solutions to these problems that everyone can live with.

This administration knows that in order to capitalize on the new opportunities before us, we need your support. We need your ideas.

Together we can make the most of this new beginning. We can translate our shared ideas into shared achievements. I'm looking forward to working with you to do just that.

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# Press Releases

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## **USDA SCIENTIST G. W. BURTON HONORED FOR ACHIEVEMENTS IN RESEARCH**

WASHINGTON, Feb. 2--Glenn W. Burton's pioneering plant genetics research to improve the productivity of grasslands has saved countless people around the world from malnutrition and starvation.

In honor of his achievements, Burton, a research geneticist with the U.S. Department of Agriculture's Science and Education Administration, received the President's Award for Distinguished Federal Civilian Service.

"Burton was one of seven to receive the highest award granted to federal employees, which recognizes outstanding achievement in carrying out the government's mission with imagination and ability," said Anson R. Bertrand, USDA director of science and education.

The award consists of a gold medal and a citation signed by the President.

Burton's citation reads:

"An internationally recognized crop breeder, his outstanding contributions to the productivity of grasslands have saved untold thousands from malnutrition or starvation. He proved that vegetative plantings of a pasture grass can be successful in establishing new, improved varieties, and opened a new horizon in breeding pearl millet in India and the United States."

Bertrand said Burton's achievements are prime examples of how agricultural research leads to productivity increases.

Leading a small multidisciplinary research team of four scientists, Burton pursues a broad research program on plant genetics ranging from field selection to fundamental investigations of the nature of inheritance.

The lab where Burton works is shared by USDA and state university scientists on land owned by the University of Georgia's agricultural experiment station.

Burton's most recent development, a new hybrid grass called Tifton 44, may play a significant role in meeting the food needs of an expanding population worldwide. Tifton 44 bermudagrass is so



nutrition-rich that, as a feed for cattle, it could add millions of pounds of beef a year to the marketplace. Cattle eating Tifton 44 average daily weight gains that are 19 percent higher than their gains on other grasses.

Burton's research indicates that if Tifton 44 were planted in the 500-mile region from the South Atlantic states to Central Texas, where Coastal bermudagrass now is the principal forage grass, that area could increase its beef production by 50 million pounds without increasing the number of cattle.

Additionally, because Tifton 44 is winter-hardy, it can be planted farther north than Coastal bermudagrass, and is adaptable to planting in other countries having similar climates.

Another of Burton's achievements is Coastcross No. 1 bermudagrass, which allows farmers to produce 35 to 40 percent more beef per acre of forage and gives superior daily weight gains. Coastcross No. 1 and similar varieties, many of which were developed by Burton, have been planted on more than 10 million acres across the South and produce an estimated one billion pounds more beef annually than a similar acreage of the common bermudagrass previously planted.

Burton's first major discovery was cytoplasmic male sterility of pearl millet in 1956. This discovery allowed development of hybrids giving 88 percent increased yield over the open-pollinated varieties then in use. When the first hybrids were released in India in 1956, that country produced 3.5 million tons of millet per year. By 1970, India's annual production of millet had risen to eight million tons, largely a result of hybrid varieties.

This big boost in India's food production is believed to have saved millions of people from starvation.

In addition to his work on developing grasses to improve food production, Burton also has developed grasses for recreational purposes. Turf grasses he developed are now used on 95 percent of the golf courses in the Southern United States.

Burton joined USDA in 1936 at the Coastal Plain Experiment Station in Tifton, Ga. During his 44 year career at Tifton, Burton has published 540 scientific papers, served as a consultant and lecturer in 53 foreign countries, released 33 new varieties of forage crops and grasses, and received 36 national and international awards including two honorary degrees.

Burton was elected to the National Academy of Sciences in 1975, and serves as chairman of its applied biology section. He also served as a consultant on the Presidential Commission on World Hunger.

As part of the cooperative federal-state research program, and in addition to his research work, Burton was chairman of the agronomy division, University of Georgia, from 1950 to 1964. He now serves as Alumni Foundation Distinguished Professor at the University of Georgia, where he has directed the research of 15 graduate students.

Born in Clatonia, Neb., Burton received a B.S. degree from the University of Nebraska in 1932, and an M.S. degree in 1933 and a Ph.D. degree in 1936 from Rutgers University.

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## **\$929,541 USDA LOAN TO FINANCE MOTEL FOR MINORITY BUSINESS**

WASHINGTON, Feb. 2--A \$929,541 loan guaranteed by the U.S. Department of Agriculture's Farmers Home Administration will finance a 104-room motel in Opelika, Ala., a USDA official said today.

Final papers for the loan have been signed with the United American Bank of Nashville, Tenn., said Kenneth Latcholia, acting administrator of the agency.

Latcholia said the loan was made to the Continental Hotel Group, Inc., a minority business headed by Robert Watts of Tuskegee, Ala. The motel will be located at Interstate 85 and U.S. Highway 280 in Opelika, 23 miles from Phenix, Ala.

Watts has been an executive with the Holiday Inn chain. He shares ownership of the new venture with Mrs. Watts and Mr. and Mrs. Gregory Pritchett.

The USDA agency will guarantee 90 percent of the loan. Terms are made by the principal parties with the agency's approval.

Latcholia said the motel complex financed with the loan was built seven years ago and has been operating on 60 percent occupancy. The present owners are a group of native Americans who are selling so they can move to another area.

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## **COST OF EATING FOR FAMILY OF 4 UP 70 CENTS PER WEEK**

HYATTSVILLE, Md. Feb. 3---It cost \$54.90 a week to feed a family of four with elementary school children at home in December, say home economists with the U.S. Department of Agriculture.

This was 70 cents more than the \$54.20 spent to feed the same family at home for a week the prior month--if you used USDA's "thrifty" plan.

The "thrifty" plan is the least costly of four food-buying plans devised by specialists of USDA's Consumer Nutrition Center of the Science and Education Administration. The others are called "low cost," "moderate cost" and "liberal."

Teachers, home economists and others use the four plans to help people plan nutritious and satisfying meals for the money they can spend. The specialists who designed the plans also keep track of food costs.

Feeding the same family a week under the "liberal" plan--most lavish of the four--cost \$105.40 in December, up from \$104.80 in November.

The thrifty plan contains less milk, meat, vegetables and fruit and more legumes, cereal, flour and bread than the other plans. Families on a low-cost plan usually need to select the lower cost foods within food groups, such as choosing ground beef rather than steak or bread instead of fancy rolls. Here are the costs of eating at home for a week for people in different circumstances during December, 1980:

	Thrifty Plan	Low-Cost Plan	Moderate-Cost Plan	Liberal Plan
FAMILIES				
Young couple .....	\$32.10	41.60	\$52.00	\$62.30
Elderly couple .....	28.80	37.10	45.90	54.60
Family of 4 with preschool children .....	45.50	58.20	72.60	86.70
Family of 4 with elementary school children.....	54.90	70.40	88.10	105.40
INDIVIDUALS*				
Females				
12-19 years of age .....	13.50	17.20	21.20	25.30
20-54 years .....	13.10	16.90	21.00	25.00
55 years and over .....	11.90	15.30	18.80	22.20
Males				
12-14 years of age .....	15.20	19.20	24.10	28.70
15-19 years .....	16.70	21.30	26.60	31.90
20-54 years .....	16.10	20.90	26.30	31.60
55 years and over .....	14.30	18.40	22.90	27.40
Children				
1-2 years of age .....	7.40	9.30	11.50	13.60
3-5 years .....	8.90	11.10	13.80	16.50
6-8 years .....	11.40	14.50	18.10	21.70
9-11 years .....	14.30	18.10	22.70	27.10

\*You can figure out the price of feeding a family of any size by adding up the costs for each member of the family as follows:

- For those eating all meals at home (or carrying some meals from home), use the amounts shown.
- For those eating some meals out, deduct 5 percent from the amount in the table for each meal not eaten at home. Thus, for a person eating lunch out 5 days a week, subtract 25 percent or one-fourth the cost shown.
- For guests, include for each meal eaten, 5 percent of the amount shown for the proper age group.

Next, adjust the total figure if more or fewer than 4 people generally eat at the family table. Costs shown are for individuals in 4-

person families. Adjustment is necessary because larger families tend to buy and use foods more economically than smaller ones.

Thus, for a 1-person family, add 20 percent; for 2 persons, add 10 percent; 3, add 5 percent; 4, use as is; 5 or 6, subtract 5 percent; 7 or more, subtract 10 percent.

Each of the food plans contains food to provide a nutritious diet for the individual or family specified, say the USDA home economists. The plans reflect buying practices of families who spend different amounts of money for food. For example, the thrifty plan (used in setting the coupon allotment in the food stamp program) is for families with little money for food.

Other plans are for people with bigger food budgets.

For details on how the plans are calculated, write to the Consumer Nutrition Center, U.S. Department of Agriculture, Hyattsville, Md. 20782.

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## **UNITED STATES LAUNCHES DOMESTIC NATURAL RUBBER PROGRAM**

WASHINGTON, Feb. 3--Efforts to help the United States become self-sufficient in natural rubber will be intensified under a new guayule seed production program.

Guayule (wy-oo-lee), a source of natural rubber, is a bushy desert plant native to North Central Mexico and Southwest Texas.

Anson R. Bertrand, U.S. Department of Agriculture director of science and education and chairman of the Joint Commission on Guayule Research and Commercialization, said the new program will produce seed to plant large acreages for commercial production of natural rubber.

Seed production will be centered in Arizona, California, New Mexico and Texas, where weather and climate are suitable for propagation and where an estimated 5 million acres of land could support guayule production. Guayule was a source of natural rubber during World War II when the United States was cut off from its source in Malaysia.



The United States now imports all of its natural rubber, an important strategic material, with 1979 imports totaling more than 760,000 metric tons at a cost of over \$157 million.

"Guayule's potential as a source of natural rubber takes on new interest in the face of rising prices for natural rubber and for petroleum used in making synthetic rubber," Bertrand said.

Scientists at the agricultural experiment stations of the University of Arizona, the University of California, Texas A&M University, New Mexico State University, and the California Department of Agriculture this spring will plant 120 acres of selected guayule seed and an additional 80 acres in the fall under a cooperative agreement with USDA's Science and Education Administration. From these plantings will come certified seed for seed producers for commercial use.

USDA, the U.S. Department of Commerce, the U.S. Department of Interior, the National Science Foundation, the Four Corners Regional Commission and the Southwest Border Regional Commission are all members of the Joint Commission on Guayule Research and Commercialization. In addition, the U.S. Department of Energy has provided funding for the new program.

The Department of Commerce is initiating a program complementary to USDA's seed production project to determine the commercial possibilities of guayule by-products left over from the extraction process. By-products include bagasse (wood fiber), resins, liquid fuels and leaves--most of them with some industrial use.

USDA's Science and Education Administration is cooperating in research at several western locations on aspects of guayule production, including identification and control of guayule diseases, its water use and production practices, and breeding for increased yield.

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## **COMMENT PERIOD REOPENED ON PROPOSAL TO ACCREDIT PRIVATE LABORATORIES**

WASHINGTON, Feb. 3--The public comment period has been reopened for 30 days--until March 5--on a U.S. Department of Agriculture proposal for accrediting non-USDA laboratories that

analyze meat and poultry as part of the federal inspection process.

"Under the proposal, slaughtering houses and processing plants can choose to use a nearby 'accredited' laboratory instead of a USDA regional laboratory," said Donald L. Houston, administrator of USDA's Food Safety and Quality Service.

The laboratories test meat and poultry for chemical residues and for protein, moisture, fat and salt content.

Under the proposal, the non-USDA laboratories would have to meet standards to obtain and maintain accreditation, said Houston. He said industry had requested additional time to evaluate the proposed standards.

Notice of the reopening of the comment period will be published in the Feb. 3 Federal Register. The proposal was published in the Nov. 7 Federal Register. Comments can be sent to regulations coordination, Attn.: Annie Johnson, rm. 2637-S, FSQS, USDA, Washington, D.C., 20250.

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## **USDA SEEKS FURTHER COMMENTS ON PEANUT STANDARDS**

WASHINGTON, Feb. 3--USDA's Food Safety and Quality Service is seeking further comment on a proposal to combine three separate peanut standards into a single U.S. standard for grades of shelled peanuts, according to Donald Houston, FSQS administrator.

"We need to hear more from shellers and end-users such as nut-salters and peanut butter manufacturers," Houston said.

The proposed changes would combine the three current U.S. grade standards for shelled Virginia, runner and Spanish type peanuts into a single U.S. grade standard, Houston said. "The standards apply only to shelled peanuts which have not been further processed," he said. "The grades are used only by peanut producers and manufacturers for commercial trading purposes and are not graded at the retail level for consumers."

Three industry groups--the Southwestern Peanut Shellers Association, the Southeastern Peanut Association and the Virginia-

Carolina Peanut Association--requested changes in the grading system to bring the standards in line with current marketing practices and to promote uniformity of requirements in the three standards, he said.

The proposed standards specify kernel sizes and the percentages of split, broken and damaged kernels that will be allowed to meet each grade," Houston said.

"Industry groups have disagreed over provisions of the proposal which specify the percentages of peanuts with defects allowed for a certain grade. The proposal also details the percentages of undersize and oversize kernels allowed in qualifying for specified grades," he said.

The proposal will be published in the Feb. 3 Federal Register. Written comments should be sent by March 5, to the executive secretariat, Attn: Annie Johnson, 2637-S, USDA, Washington, D.C., 20250.

USDA's Food Safety and Quality Service establishes grade standards and provides grading service for many products. Use of the service is voluntary and is paid for by the user.

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## **USDA INCREASES FEES FOR VOLUNTARY TOBACCO INSPECTION**

WASHINGTON, Feb. 3--Fees for voluntary tobacco inspection will be increased by the U.S. Department of Agriculture effective today, according to Thomas A. VonGarlem, of USDA's Agricultural Marketing Service.

VonGarlem, who is director of that agency's tobacco division, said the hourly rate for tobacco inspection during normal working hours will increase from \$15.50 to \$17.80. Overtime service fees will increase from \$18.50 to \$21.30 an hour, and service on Sundays and holidays will be raised from \$23.20 to \$26.70 an hour.

VonGarlem said the higher fees for voluntary inspection are necessary to offset additional operating costs including salary increases recently authorized by Congress.

When tobacco is sold at auction on a designated market, USDA inspects it free. Under terms of the Tobacco Inspection Act, when



tobacco is not sold at auction on a designated market, the USDA inspection is voluntary and users must pay for the service.

The act requires fees to be reasonable and, as nearly as possible, to cover the cost of the service, VonGarlem said.

Notice of the fee change is scheduled to be published in the Feb. 3 Federal Register, available at most public libraries.

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## **PERDUE POULTRY FIRM CHARGED WITH ANTI-COMPETITIVE PRACTICES**

WASHINGTON, Feb. 4--Franklin P. Perdue and Perdue Farms, Inc., Salisbury, Md., were charged today with cutting off supplies of poultry and poultry products to distributors who continue to sell a competitive brand, according to a U.S. Department of Agriculture official.

"Perdue was charged by the U.S. Department of Justice, at USDA's request, with violating the Packers and Stockyards Act by directly and indirectly threatening customers who refuse to stop buying poultry from a Perdue competitor," said James L. Smith, a packers and stockyards official of USDA's Agricultural Marketing Service.

Perdue is one of the largest poultry suppliers on the east coast.

Smith said the complaint, filed in the U.S. District Court for the Eastern District of New York, asked the court to order Perdue Farms to offer its brand of poultry to former customers who had been cut off for handling a competitive brand. The order sought would also prohibit Perdue from engaging in such practices in the future.

"The complaint describes Perdue Farms as the dominant seller of premium-priced, advertised, branded poultry and poultry products in the greater New York City area," Smith said. "The complaint charges Perdue and Perdue Farms with unjustly discriminatory and other unfair practices which violate the fair trade provisions of the act.

"The complaint alleges that Perdue had threatened various distributor customer in the New York--New Jersey area with cancelling their supplies of Perdue products if they handled a competitor's poultry products," he said. "It further charges that Perdue and Perdue Farms

followed through on the threats and stopped supplying distributors who did not stop selling other poultry products furnished by a Perdue competitor."

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## USDA RELEASES PRELIMINARY FOOD ASSISTANCE DATA FOR NOVEMBER 1980

WASHINGTON, Feb. 4--Preliminary estimates of participation in the federal-state food assistance programs for November 1980 with comparisons to the previous month and to the same month of last year were released today by the U.S. Department of Agriculture.

They are:

	Nov. 1979	Oct. 1980	Nov. 1980
Food Stamp Programs:			
People participating (millions) .....	19.6	22.2	22.0
Value of bonus coupons (millions) .....	\$641.7	\$753.4	\$744.4
Average bonus per person .....	\$32.76	\$33.96	\$33.89
Food Distribution Program on			
Indian Reservations:			
Number of reservations in program .....	35	70	71
People participating (thousands) .....	50.9	69.0	69.5
Special Supplemental Food Program			
(WIC):			
People participating (millions) .....	1.674	2.281	2.262
Federal food costs (millions) <sup>a</sup> .....	\$43.5	\$63.9	\$63.3
Commodity Supplemental Food			
Program:			
Number of projects in operation .....	22	20	20
People participating (thousands) .....	96.5	108.6	106.7
National School Lunch Program:			
Number of schools taking part <sup>b</sup> .....	94,327	93,552	93,552
Children participating (millions) .....	27.0	26.7	26.7
Children reached with free or reduced			
price lunches (millions) .....	12.0	12.1	12.3
Percentage of lunches served free .....	37.4	38.1	38.9
Percentage of lunches served at reduced			

price.....	6.9	7.1	7.4
School Breakfast Program			
Number of schools taking part <sup>b</sup> .....	32,737	34,046	34,046
Children participating (millions) .....	3.6	3.7	3.9
Percentage of breakfasts served free			
or at reduced price.....	84.6	85.4	85.7

<sup>a</sup>Due to monthly fluctuations, the federal administration expenditures are excluded from the program.

<sup>b</sup>These data are collected semi-annually (October and March). Figures for the latest available month (October) are listed.

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## U.S. SOIL LOSSES WOULD COVER IOWA IN A YEAR'S TIME

WASHINGTON, Feb. 5--Erosion robs this country of enough soil to cover the State of Iowa with a layer an inch thick each year, and this often comes from the best land, say experts with the U.S. Department of Agriculture.

That's an annual loss of 5.5 billion tons of soil, a persistent statistic despite efforts to bring it down.

Farmers, ranchers and conservation specialists with USDA agencies have stepped up their fight to check the huge losses, and they're urging that much more be done in the years ahead.

Conservationists emphasize that the stakes in protecting farm topsoils have risen sharply. With so many more mouths to feed than in the past, abroad as well as in the U.S., they warn, failure to better protect the topsoil eventually would mean hunger for millions.

"Soils being taken by erosion generally are the richest in nutrients and organic matter and have the most favorable conditions for plant growth," said Norman A. Berg, chief of the USDA's Soil Conservation Service. "This constitutes a significant drain on the productive potential of land where our food is produced."

Berg cited a Farm Pond Harvest magazine story which said enough soil goes into the Mississippi River in one year to build an island a mile long, a quarter of a mile wide and 200 feet high. Such an island would contain the equivalent of 808 rail carloads of phosphorus, 21,121 carloads of potassium, 291,511 carloads of calcium and 67,270 carloads

of magnesium.

"Our specialists haven't made a precise check on those magazine statistics, but they look about right," said Berg. "We know the losses are tremendous year after year. We also know that, with the nutrients washed away, it takes a heavy diet of chemical fertilizers to keep the land producing adequate food and fiber."

Berg said the soil losses are like bags of money floating down the nation's rivers. Figured at 1979 prices, USDA soil conservation specialists estimate that putting all of the lost nitrogen and phosphorus and one-fourth of the lost potassium back into the damaged land would add up to \$18 billion in just one year.

Dollars are just part of the problem. This past summer's long stretch of 100-degree-plus temperatures in some areas stirred memories of the dust clouds that engulfed Great Plains states like Oklahoma and Texas nearly half a century ago.

Although the hot, dry summer of 1980 was mild compared to the "Dust Bowl" of the mid-1930's, it did reduce food production. The recent drought piled soil dunes at the sides of buildings and on highways, sent soil into homes, muddied drinking water, made food on the table gritty and killed the dreams of some farm and ranch families.

Some people living in the Great Plains prayed for rain and hung wet sheets over windows and across cribs so babies could breathe easier. Yet, this was only a relatively gentle reminder of what can happen in the future if the pace of erosion isn't slowed, Berg said.

At today's erosion rate, he said, food supplies will be seriously threatened in about 100 years. In Iowa, for example, half of the original topsoil--six to eight inches--already has been lost from sloping, unprotected land during the century the state has been farmed.

Fortunately, said Berg, the country has the know-how to bring soil erosion under control.

"By using modern conservation methods and advanced agricultural technology, we can prevent another Dust Bowl," Berg said. "Terraces, conservation tillage, contour stripcropping, grassed waterways and other practices help save the land. Many of the country's farmers and ranchers are aware of this and are taking appropriate actions.

"However, on land that has no conservation measures, erosion continues.

"It has been said many times, and it is true, that nature cannot replenish the topsoil as fast as we can destroy it. It also is true that farmlands we lose today will not grow food for future generations. We must act now to conserve the soil resources or face serious trouble ahead."

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## **USDA ISSUES RULES TO MEET GRAIN TRANSPORTATION PROBLEMS**

WASHINGTON, Feb. 5--Farmers who must settle their reserve corn loans will have at least an additional 30 days to repay their loans, according to Edward Hews, acting administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

The extension was made to assure orderly marketing of corn, which was jeopardized by transportation problems caused by low water levels on the nation's major grain-shipping rivers, Hews said.

The settlement date for corn in reserve I is Feb. 9; the settlement date for reserves II and III is April 15.

During the 30-day period farmers will pay 15.25 percent interest on their loans, Hews said. Previously, there was no interest charged on these loans.

Hews said the interest rates were changed to reflect the cost of borrowing from the U.S. Treasury and to provide producers an incentive to settle matured or called farm-stored loans promptly.

The new rates take effect the day after the loan's maturity or, in the case of reserve loans, the day after the original date on which settlement is required after a reserve loan is called.

After the final date for settlement, issuance of delivery notices and warehouse takeover for corn under reserve or regular loans will be delayed at least 30 days based on current available storage space and transportation conditions to allow for orderly marketing, Hews said.

"As of Jan. 28, the three reserves held 994.2 million bushels of corn and all three reserves have been called," said Hews.

"The settlement date for the 10 to 15 million bushels in reserve I is Feb. 9. The new interest rates for these loans will begin on Feb. 10.



"April 15 is the final settlement date for reserves II and III. Under the new rule, producers must pay interest from this date until the called loans are settled," he said.

Hews said interest on regular, nine-month government price support loans would be increased from 11.5 percent to 15.25 percent beginning the day after the loan's maturity date. Producers with these loans also will have at least 30 additional days following the maturity date to redeem their loans or deliver the grain to USDA, Hews said.

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## **NO DEFICIENCY PAYMENTS TO BE MADE FOR 1980 CROP RICE**

WASHINGTON, Feb. 6--No deficiency payments will be made to producers of 1980 crop rice as the market price for the August-December marketing period was above the target price, according to Edward Hews, acting administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

Hews said current legislation requires deficiency payments be made to rice producers if the national weighted average market price of rough rice for the first five months of the marketing year is below the target price.

For August-December 1980, the national weighted average market price was \$11.30 per hundredweight, \$1.81 above the \$9.49 target price. Therefore, no deficiency payments are required under the rice program.

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